



## **BUDGET MESSAGE**

### **Proposed Budget - Fiscal Year 2003-2004**

Meeting Date: April 16, 2003

### **Introduction**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCO) to adopt a proposed budget by May 1 of each year and a final budget by June 15 of each year. The Ventura LAFCO will hold a public hearing on April 16, 2003 on this Proposed Budget and has scheduled a public hearing to act on the Final Budget for Fiscal Year 2003-04 on June 11, 2003. Once adopted, the Final Budget will be used by the County Auditor-Controller to collect revenues as necessary from the County, cities and special districts.

The LAFCO Commissioner's Handbook, the compendium of the Ventura LAFCO's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* This Proposed Budget was prepared in accordance with these policies. Major goals were to minimize expenses while fulfilling basic functions, and to provide for effectively and efficiently complying with mandates.

LAFCO and the County of Ventura entered into a new Memorandum of Agreement effective July 1, 2001. While LAFCO is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCO. All of the personnel, support services, offices and materials to be requested of the County for FY 2003-04 are part of this Proposed Budget and budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCO's major responsibilities, reviews the major work accomplishments and budget information for the first three quarters of fiscal year 2002-2003, sets forth a basic work plan for FY 2003-04, and provides background and explanatory information about the Proposed Budget's expenses and revenues.

## **Major LAFCO Responsibilities**

(Asterisk indicates new responsibilities as of January 1, 2001)

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- Establish spheres of influence for cities and special districts.
- Update spheres of influence for cities and special districts every 5 years.\*
- Conduct municipal service reviews prior to or in conjunction with the establishment or update of a sphere of influence.\*
- Perform special studies relating to services and make recommendations about consolidation, mergers or other governmental changes to improve services and reduce operational costs.
- Act on requests for out-of-agency contracts for extensions of services (now applicable to contracts between two public agencies\*).
- Function as either a responsible or lead agency under the California Environmental Quality Act.
- Serve as the conducting authority for the determination of protests relating to proposals for incorporation, formation, and subsequent boundary changes.\*
- Provide public information about LAFCO and public noticing of pending LAFCO actions.
- Establish and maintain a web site.\*
- Adopt written policies and procedures.\*
- Hire an Executive Officer and Legal Counsel.\*
- Adopt an annual budget.\*

## **FY 2002-2003 IN REVIEW**

The following work plan was adopted as a part of the FY 2002-03 budget:

- Maintaining and enhancing operations and services, including communications with the jurisdictions required to fund LAFCO.
- Conducting the first phase of municipal service reviews and sphere of influence updates in accordance with a separate work plan for these tasks to be adopted by the Commission.
- Organizing and archiving LAFCO files from the last 8 years.
- Maintaining and improving the Ventura LAFCO website.
- Implementing a new deposit-based fee system and continuing to seek ways to enhance cost recovery.
- Participating in LAFCO oriented training and development workshops and conferences.
- Continuing to improve public knowledge and understanding about the role and responsibilities of LAFCO.

Each of these work plan tasks has been accomplished as anticipated within budget, except the organizing and archiving of files as discussed below. Most notably, the formal municipal service review process commenced and is proceeding essentially on schedule.

In December 2002 LAFCO contracted with Project Design Consultants (PDC) to conduct water and wastewater service reviews on a Countywide basis. The total amount of this contract is \$95,000, but the contract term extends through November 2003. Thus, while the work involved is well underway, only approximately \$50,000 of the costs for this contract will actually be expended this fiscal year. The balance of the funds for this contract have been encumbered this fiscal year, meaning that the projected \$45,000 balance will roll over to the same account code (Other Professional & Special Services – 2199) in the 2003-04 fiscal year.

Extra help funds were budgeted to assist in the organizing and archiving of LAFCO files. In order to reduce expenses, staff purposefully did not use these extra help funds. The immediate need to organize and archive recent files has been done by staff. The need to complete a review of the last 8 to 9 years of files and organize them for some form of acceptable archiving for long-term storage (microfiche, CD-ROM, etc.) still remains.

Fiscal year 2002 – 2003 was the second year that the Ventura LAFCO was required to adopt its own budget, independent of the County, and to address new mandates pursuant to the CKH. As such, LAFCO was able to use the experience of actual expenses and revenues from the 2001-02 budget year to begin to establish baselines for the various account codes. While the 2002-03 budget was based on the prior, first year budget experiences and projected new expenses for new work items, overall state and local government fiscal concerns resulted in extra fiscal prudence being exercised to limit expenses during the year. The result is that projected actual expenses are approximately 18% below budgeted amounts.

Based on information through the end of March 2003, projected annual expenditures for FY 2002-03 should be approximately \$128,000 less than the adjusted budget. Salaries and employee benefits are projected to be approximately \$25,000 less than the adjusted budget, equaling the unspent amount budgeted for extra help. Services and supplies expenditures are projected to be approximately \$38,000 less than the adjusted budget. Due to these projected actual expenditures being less than the budgeted amounts, no contingency funds are projected to be used.

Revenues are projected to match amounts budgeted. The County, the cities and the independent special districts all paid their share of the net operating expenses as apportioned by the County Auditor-Controller pursuant to the CKH. Projected revenues from charges for LAFCO services are expected to match the \$80,000 budgeted for application fee revenue (account code 9772). It is possible that between the time of this

Proposed Budget and the preparation of the Final Budget in June, adjustments could result in revenues slightly exceeding budgeted amounts.

The result of expenditures being less than projected and revenues equaling projections is an increase in the projected Fund Balance (account code 5040). This Fund Balance is proposed as a financing source for 2003-04.

## **FY 2003-04 Work Plan**

The LAFCO Commissioner's Handbook provides that LAFCO will annually review and adopt a work plan as a part of the budget development process. For fiscal year 2003-04 the following work plan is proposed:

- Complete water and wastewater service reviews and, as necessary, sphere of influence updates, and begin service reviews for other agencies, per the adopted work plan for municipal service reviews and sphere of influence updates.
- Maintain and enhance operations with a focus on: communication with the Commission, cities, districts and the public; budget monitoring and information; staff training and development; and, enhanced records management.
- Working with cities as appropriate to initiate island annexations.
- Increase public awareness about the mission, purpose and function of LAFCO.

In addition to on-going operations, the municipal service review and sphere of influence update process will dominate most of the time of the Commission and staff during the next three years and will have significant budget impacts. The other elements of the work plan are considered realistic provided the number and/or complexity of proposals filed does not increase significantly. The Proposed Budget is based on this proposed work plan and, importantly, the work plan adopted for service reviews and sphere of influence updates. Significant changes to the work plan or the work plan for service reviews and sphere of influence updates will affect the Final Budget.

## **Expenses**

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). The Final Budget contains an overall expenditure decrease for FY 2003-04 of approximately 13%.

### **Salary and Employee Benefits**

The Salary and Employee Benefits section of the Proposed Budget provides for salary range adjustments in October 2002 and March 2003 pursuant to the County of Ventura's agreement with the Service Employees International Union (SEIU). Other increases consistent with the County's Personnel Rules and Policies are also included.

These increases, plus the recommended reclassification of the Planner III position to a Planner IV result in salary and benefit expenditures increasing approximately 1.5%

The existing and proposed LAFCO staffing levels are:

| <b>Title</b>                      | <b>FY 2002-03</b> | <b>FY 2003-04</b> |
|-----------------------------------|-------------------|-------------------|
| Executive Officer                 | 1                 | 1                 |
| Planner III                       | .75               | 0                 |
| Planner IV                        | 0                 | .75               |
| Administrative Assistant III      | 1                 | 1                 |
| <b>Total Authorized Positions</b> | <b>2.75</b>       | <b>2.75</b>       |

During FY 2002-03 the County Human Resources Department completed a review of both the Administrative Assistant III and Planner III classifications. Review of both classifications was requested as most LAFCOs have position titles of LAFCO Clerk and LAFCO Analyst. For many LAFCOs these positions are considered as “management” in terms of confidentiality status and benefits, and are “exempt” from union participation. Except for the Executive Officer classification, the classifications of the Ventura LAFCO staff have been tied to other classifications for County employees. The result is that the Administrative Assistant III functions as the LAFCO Clerk and the Planner III functions as a LAFCO Analyst. Neither is considered as management in terms of benefits or confidentiality requirements, and both are non-exempt positions in terms of union participation.

The classification review did not result in any salary or benefit change to the Administrative Assistant III classification at this time, but it was found that the Planner III classification, when compared to LAFCO Analyst positions at other LAFCOs, should be reclassified to be equivalent to a Planner IV in terms of salaries and benefits. The change from Planner III to Planner IV for this three-quarters time (.75 full time equivalent) classification is recommended and is part of the Proposed Budget to become effective as of July 1, 2003. The total cost for this change is approximately \$7,500, but due to other adjustments the net effect in the Proposed Budget is approximately \$4,800.

Part of the issue with changing the LAFCO positions to really be equivalent in terms of the labor market and consistent with what is commonly used by other LAFCOs is that the titles of LAFCO Clerk and LAFCO Analyst would have to be included in the overall County resolution that establishes County personnel classifications. For future recruitment in the case of vacancies, it would be best to have the structure (title, salary and benefits) of these positions changed to better match the labor market. This matter will continue to be reviewed in conjunction with the County Human Resources Department and possibly presented to the Commission for future consideration.

Maintaining funding for possible Extra Help is also part of the Proposed Budget. The basic purpose is to provide for the option of additional clerical support, as needed, for on-going operations and, especially, to better position LAFCO to archive its records. As in prior years, however, the discretion to use this funding is up to the Executive Officer and the expectation that fiscal prudence be maintained throughout the year will be part of the determination on the use of these funds.

### Services and Supplies

The largest and most significant expenditure is for professional services (account code 2199). The Proposed Budget is based on the work plan for the service review and sphere of influence update process adopted by the Commission on May 15, 2002. The work plan identifies water and wastewater service reviews as being a continuing priority for FY 2003-04 including the use of qualified consultants. In addition to honoring existing contract obligations, \$80,000 is proposed for possible additional consultant services for service reviews. Any contract for these types of services requires Commission approval before any expenditures are made.

Other major changes to expenditures for Services and Supplies are:

- A decrease in Indirect Cost Recovery charges (account code 2158). These cost recovery charges are for County services provided by the Auditor-Controller and Chief Executive Officer, including Human Resources, in past years. The reason for the substantial decrease is that County Counsel costs are now being charged directly to LAFCO, rather than through this account code.
- An increase for Mail Center charges (account code 2174) due to an increase in the cost of first class postage and recent experiences with the extra notice requirements in the law for certain types of LAFCO hearings.
- An increase in County GIS expenses (account code 2214) to recognize the establishment of this account code as an internal service fund that, in turn, recognizes LAFCO's reliance on the County's geographic information system personnel and data for mapping purposes.

### Contingencies

The Commission's budget policies indicate that the budget should provide for contingencies equaling 10% of total expenses. Thus, as the overall expenses increase, the amount to be budgeted for contingencies increases. The Proposed Budget contains \$57,000 for contingencies. This represents almost exactly 10% of the combined Salary and Employee Benefits and Services and Supplies expenses (\$570,036)

## **Financing Sources**

Sources of Financing consist of Fund Balance (account code 5040), miscellaneous revenues, including interest earnings (account code 8911) and charges for services

(account code 9772), and other governmental revenues to be collected from the County, cities and independent special districts (account code 9372).

#### Fund Balance

Section 56381(c) of the CKH provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget." Approximately \$167,000 is now projected to be available at the end of the fiscal year as Fund Balance. This is a direct result of FY 2002-03 expenditures being less than projected, revenues equaling projections and, importantly, a larger than projected fund balance from the 2001-02 fiscal year. The retention of these funds reduces the amount of revenue needed to be collected from other governmental agencies for FY 2003-04.

The actual Fund Balance amount will not be known until after June 30, 2003, after the close of FY 2002-03.

#### Miscellaneous Revenue

A substantial decrease in interest earnings is projected for FY 2003-04 as current low interest rates are assumed to remain for most if not all of the year.

Other revenue, consisting entirely of charges for services, is estimated to remain at \$80,000, the same as was budgeted for FY 02-03. This estimate recognizes that LAFCO has no control over the number or type of future applications. In a very broad sense, applications to LAFCO are somewhat reflective of the regional economy, but usually lag general economic trends. A substantial increase in either the number or the complexity of proposals filed will increase revenues, but will likely mean that other aspects of the Work Plan are affected.

The Commission has a policy to annually review the LAFCO fee schedule as a part of the budget process. A new fee schedule was adopted by the Commission and became effective on July 1, 2002 based on a composite rate. Part of the fees is a flat rate to cover general operational overhead and part of the fees is a deposit that is used to cover actual staff time in reviewing and processing individual proposals. Because there has been less than a full years experience working with this latest fee schedule, there is no recommendation at this time for the Commission to further review or modify the current fee schedule.

#### Revenues from the County, Cities and Independent Special Districts

Pursuant to the CKH, costs for LAFCO operations, net of charges for service, are apportioned one third to the County, one third to the cities, and one third to the independent special districts. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCO adopts a final budget.

Included with this Proposed Budget are the percentage shares of this apportionment for the both cities and independent special districts based on the 1998-99 State Controller

reports. At this time the State Controller has not released any more current reports for either cities or special districts. Should such reports be issued prior to action on the Final Budget the percentage shares will change accordingly.

Changes to the CKH that became effective on January 1, 2003, changed how the County Auditor is to apportion the independent special district's percentages of the net expenses. Also, the number of independent special districts in the County has decreased from 30 to 29 due to the consolidation of Russell Valley Municipal Water District with Calleguas Municipal Water District. The Auditor-Controller in calculating the percentage shares for each independent special district has taken both of these changes into account. In addition, if applicable, costs in excess of 50% for any district will be prorated to the other districts.

The CKH continues to provide for the independent special districts in each County to determine an alternate apportionment method. The Ventura County Special District Association has reviewed and discussed alternate apportionment options, but to date the independent special districts have not approved any alternate apportionment methodology. Should the independent special districts adopt an alternate apportionment method consistent with the law and present it to the County Auditor-Controller prior to the adoption of the Final Budget in June, such an alternate apportionment method would be the basis for collecting the special districts share of net expenses.

## **Conclusion**

The Ventura LAFCO has gained substantial experience in establishing and managing an independent budget during the last two years. The Commission understands the economic realities of the time and the increasing constraints on local government revenues. The record reflects fiscal responsibility in both budgeting and overseeing actual expenditures, while still carrying out mandated functions. The Proposed Budget for 2003-04 was prepared and is being recommended in keeping with these practices.

Respectfully submitted,

Everett Millais  
Executive Officer

**VENTURA LOCAL AGENCY FORMATION COMMISSION**  
**EXPENSE AND REVENUE DETAIL**  
**Proposed Budget FY 2003 - 2004**

| Account Code | Adopted Budget FY 02-03 | Adjusted Budget FY 02-03 | Projected Actual FY 02-03 | Proposed Budget FY 03-04 | Rec. Final Budget FY 03-04 | Adopted Budget FY 03-04 |
|--------------|-------------------------|--------------------------|---------------------------|--------------------------|----------------------------|-------------------------|
|--------------|-------------------------|--------------------------|---------------------------|--------------------------|----------------------------|-------------------------|

**EXPENDITURES**

**Salaries and Employee Benefits**

|                                    |      |                |                |                |                |  |  |
|------------------------------------|------|----------------|----------------|----------------|----------------|--|--|
| Regular Salaries                   | 1101 | 202,600        | 202,600        | 199,985        | 221,253        |  |  |
| Extra Help                         | 1102 | 25,000         | 25,000         | 0              | 25,000         |  |  |
| Supplemental Payments              | 1106 | 12,140         | 12,140         | 11,708         | 7,615          |  |  |
| Retirement Contribution            | 1121 | 11,080         | 11,080         | 12,409         | (8,081)        |  |  |
| OASDI Contribution                 | 1122 | 10,950         | 10,950         | 11,475         | 11,915         |  |  |
| FICA-Medicare                      | 1123 | 2,943          | 2,943          | 3,203          | 3,362          |  |  |
| POB Debt Sevice                    | 1126 | 26,101         | 26,101         | 30,854         | 32,450         |  |  |
| POB Savings                        | 1127 | 0              | 0              | 0              | 0              |  |  |
| Group Insurance                    | 1141 | 14,100         | 14,100         | 9,874          | 15,332         |  |  |
| Life Ins/Dept Heads & Mgt          | 1142 | 104            | 104            | 104            | 105            |  |  |
| State Unemployment Ins             | 1143 | 0              | 0              | 0              | 349            |  |  |
| Management Disability Ins          | 1144 | 735            | 735            | 716            | 936            |  |  |
| Insurance Susidy                   | 1146 | 0              | 0              | 0              | 2,657          |  |  |
| Workers Compensation               | 1165 | 4,293          | 4,293          | 4,293          | 1,574          |  |  |
| 401k Plan                          | 1171 | 5,073          | 5,073          | 5,169          | 5,465          |  |  |
| <b>Total Salaries and Benefits</b> |      | <b>315,119</b> | <b>315,119</b> | <b>289,790</b> | <b>319,932</b> |  |  |

**Services and Supplies**

|                             |      |        |        |        |        |  |  |
|-----------------------------|------|--------|--------|--------|--------|--|--|
| Telephone Charges - Non ISF | 2032 | 150    | 150    | 130    | 150    |  |  |
| Voice/Data -ISF             | 2033 | 4,200  | 4,200  | 4,200  | 2,500  |  |  |
| Radio Communications -ISF   | 2034 | 0      | 0      | 210    | 0      |  |  |
| General Insur Allocation    | 2071 | 1,300  | 1,300  | 1,206  | 1,500  |  |  |
| Gen Liab Ult Loss Exp 1099  | 2073 | 215    | 215    | 0      | 0      |  |  |
| Building Maintenance        | 2121 | 110    | 110    | 110    | 0      |  |  |
| Facil/Matls Sq Ft Alloc-ISF | 2125 | 13,500 | 13,500 | 12,816 | 12,900 |  |  |
| Memberships & Dues          | 2141 | 3,500  | 3,500  | 3,963  | 4,500  |  |  |
| Education Allowance         | 2154 | 950    | 950    | 330    | 3,000  |  |  |
|                             |      |        |        |        |        |  |  |

**VENTURA LOCAL AGENCY FORMATION COMMISSION**  
**EXPENSE AND REVENUE DETAIL**  
**Proposed Budget FY 2003 - 2004**

|                                    | <b>Account Code</b> | <b>Adopted Budget<br/>FY 02-03</b> | <b>Adjusted Budget<br/>FY 02-03</b> | <b>Projected Actual<br/>FY 02-03</b> | <b>Proposed Budget<br/>FY 03-04</b> | <b>Rec. Final Budget<br/>FY 03-04</b> | <b>Adopted Budget<br/>FY 03-04</b> |
|------------------------------------|---------------------|------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|------------------------------------|
| Mail Center-ISF                    | 2174                | 6,500                              | 6,500                               | 6,350                                | 10,600                              |                                       |                                    |
| Purchasing Charges-ISF             | 2176                | 730                                | 730                                 | 400                                  | 500                                 |                                       |                                    |
| Graphics Charges-ISF               | 2177                | 1,800                              | 1,800                               | 1,500                                | 1,800                               |                                       |                                    |
| Copy Machine Chgs-ISF              | 2178                | 1,800                              | 1,800                               | 1,800                                | 2,600                               |                                       |                                    |
| Misc Office Expense                | 2179                | 11,500                             | 11,500                              | 10,000                               | 10,000                              |                                       |                                    |
| Board Member Fees                  | 2191                | 4,000                              | 4,000                               | 3,550                                | 4,000                               |                                       |                                    |
| Information Technology             | 2192                | 300                                | 300                                 | 300                                  | 350                                 |                                       |                                    |
| Public Works Charges               | 2197                | 30,000                             | 30,000                              | 30,000                               | 35,000                              |                                       |                                    |
| Other Prof & Spec Service          | 2199                | 125,000                            | 125,000                             | 95,000                               | 80,000                              |                                       |                                    |
| Special Svs - ISF                  | 2205                | 100                                | 100                                 | 0                                    | 0                                   |                                       |                                    |
| County GIS Expense                 | 2214                | 16,589                             | 16,589                              | 16,589                               | 23,800                              |                                       |                                    |
| Public And Legal Notices           | 2261                | 1,000                              | 1,000                               | 1,500                                | 1,500                               |                                       |                                    |
| IBM PC Leasing                     | 2273                | 4,800                              | 4,800                               | 4,800                                | 4,800                               |                                       |                                    |
| County Clerk/Recorder              | 2304                | 0                                  | 0                                   | 0                                    | 0                                   |                                       |                                    |
| County Assessor                    | 2304                | 0                                  | 0                                   | 6,000                                | 6,000                               |                                       |                                    |
| County RMA                         | 2304                | 0                                  | 0                                   | 0                                    | 0                                   |                                       |                                    |
| County Counsel                     | 2304                | 20,000                             | 20,000                              | 11,000                               | 12,000                              |                                       |                                    |
| Private Vehicle Mileage            | 2522                | 6,000                              | 6,000                               | 6,000                                | 6,000                               |                                       |                                    |
| Conference & Seminars Expense      | 2523                | 12,000                             | 12,000                              | 11,000                               | 12,500                              |                                       |                                    |
| <b>Total Services and Supplies</b> |                     | <b>339,011</b>                     | <b>339,011</b>                      | <b>301,125</b>                       | <b>250,104</b>                      |                                       |                                    |
| <b>Contingencies</b>               |                     |                                    |                                     |                                      |                                     |                                       |                                    |
| Contingencies                      | 6101                | 65,000                             | 65,000                              | 0                                    | 57,000                              |                                       |                                    |
| <b>Total Contingencies</b>         |                     | <b>65,000</b>                      | <b>65,000</b>                       | <b>0</b>                             | <b>57,000</b>                       |                                       |                                    |
| <b>TOTAL EXPENDITURES</b>          |                     | <b>719,130</b>                     | <b>719,130</b>                      | <b>590,915</b>                       | <b>627,036</b>                      |                                       |                                    |

**VENTURA LOCAL AGENCY FORMATION COMMISSION**  
**EXPENSE AND REVENUE DETAIL**  
**Proposed Budget FY 2003 - 2004**

| Account Code | Adopted Budget FY 02-03 | Adjusted Budget FY 02-03 | Projected Actual FY 02-03 | Proposed Budget FY 03-04 | Rec. Final Budget FY 03-04 | Adopted Budget FY 03-04 |
|--------------|-------------------------|--------------------------|---------------------------|--------------------------|----------------------------|-------------------------|
|--------------|-------------------------|--------------------------|---------------------------|--------------------------|----------------------------|-------------------------|

**FINANCING SOURCES**

|  |      |                |                |                |                |  |  |
|--|------|----------------|----------------|----------------|----------------|--|--|
| <b>Fund Balance</b>                                | 5040 | <b>61,028</b>  | 99,928         | 99,928         | <b>167,116</b> |  |  |
| <b>Miscellaneous Revenue</b>                       |      |                |                |                |                |  |  |
| Interest Earnings                                  | 8911 | 9,600          | 9,600          | 9,600          | 4,500          |  |  |
| Other Revenue - Misc. (charges for LAFCO services) | 9772 | 80,000         | 80,000         | 80,000         | 80,000         |  |  |
| <b>Total Miscellaneous Revenue</b>                 |      | <b>89,600</b>  | <b>89,600</b>  | <b>89,600</b>  | <b>84,500</b>  |  |  |
| <b>Other Governmental Agencies</b>                 |      |                |                |                |                |  |  |
| Other Gov't Agencies (County of Ventura)           | 9372 | 189,501        | 189,501        | 189,501        | 125,140        |  |  |
| Other Gov't Agencies (Cities)                      | 9372 | 189,501        | 189,501        | 189,501        | 125,140        |  |  |
| Other Gov't Agencies (Indep Special Districts)     | 9372 | 189,501        | 189,501        | 189,501        | 125,140        |  |  |
| <b>Total Other Government Agencies Revenue</b>     |      | <b>568,503</b> | <b>568,503</b> | <b>568,503</b> | <b>375,420</b> |  |  |
| <b>Total Revenue</b>                               |      | <b>658,103</b> | <b>658,103</b> | <b>658,103</b> | <b>459,920</b> |  |  |
| <b>TOTAL FINANCE SOURCES &amp; REVENUE</b>         |      | <b>719,131</b> | <b>758,031</b> | <b>758,031</b> | <b>627,036</b> |  |  |

**LAFCO NET OPERATING EXPENSES**  
**GOV'T CODE 56381 (b) (1) (1)**

**FOR BUDGET YEAR 2003 - 2004**

**ALLOCATION - CITIES**

**SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 1998/99**

| CITY               | TOTAL<br>REVENUE<br>PER REPORT | PRELIMINARY<br>PERCENTAGE |
|--------------------|--------------------------------|---------------------------|
| 1 CAMARILLO        | \$ 52,172,696                  | 8.890%                    |
| 2 FILLMORE         | 10,127,610                     | 1.725%                    |
| 3 MOORPARK         | 14,596,868                     | 2.487%                    |
| 4 OJAI             | 6,407,659                      | 1.092%                    |
| 5 OXNARD           | 171,520,261                    | 29.225%                   |
| 6 PORT HUENEME     | 19,067,347                     | 3.249%                    |
| 7 SAN BUENAVENTURA | 100,757,176                    | 17.168%                   |
| 8 SANTA PAULA      | 16,677,562                     | 2.842%                    |
| 9 SIMI VALLEY      | 66,733,058                     | 11.370%                   |
| 10 THOUSAND OAKS   | 128,837,737                    | 21.952%                   |
| TOTAL              | <u>\$ 586,897,974</u>          | <u>100.000%</u>           |

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

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| <b>LAFCO NET OPERATING EXPENSES</b><br><b>GOV'T CODE 56381.5 (b) (1) (1)</b> |
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FOR BUDGET YEAR 2003 - 2004

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY98/99

| NAME                                    | TOTAL<br>REVENUE<br>PER REPORT | PRELIMINARY<br>PERCENTAGE<br>(See Note 2) |
|---|--------------------------------|---|
| 1 Bardsdale Public Cemetery             | \$ 122,003                     | 0.069%                                    |
| 2 Bell Canyon Comm. Services Dist.      | 263,551                        | 0.150%                                    |
| 3 Calleguas Municipal Water Dist.       | 89,070,109                     | 50.585%                                   |
| 4 Camarillo Health Care Dist.           | 1,528,964                      | 0.868%                                    |
| 5 Camrosa Water Dist.                   | 9,941,359                      | 5.646%                                    |
| 6 Casitas Municipal Water Dist.         | 9,584,719                      | 5.443%                                    |
| 7 Channel Island Beach CSD              | 2,855,381                      | 1.622%                                    |
| 8 Conejo Recreation & Park Dist.        | 10,105,593                     | 5.739%                                    |
| 9 El Rancho Simi Public Cemetery Dist   | INACTIVE                       | 0.000%                                    |
| 10 Fillmore-Piru Memorial Dist.         | 148,157                        | 0.084%                                    |
| 11 Fox Canyon Groundwater Mgmt.. Agency | 485,565                        | 0.276%                                    |
| 12 Hidden Valley Municipal Water Dist.  | 77,656                         | 0.044%                                    |
| 13 Meiners Oaks County Water Dist.      | 547,305                        | 0.311%                                    |
| 14 Montalvo Municipal Impv. Dist.       | 447,575                        | 0.254%                                    |
| 15 Ocean View Municipal Water Dist.     | 459,168                        | 0.261%                                    |
| 16 Ojai Valley Sanitary Dist.           | 6,273,307                      | 3.563%                                    |
| 17 Ojai Water Conservation Dist.        | 3,750                          | 0.002%                                    |
| 18 Oxnard Drainage Dist. No. 1          | 34,072                         | 0.019%                                    |
| 19 Oxnard Drainage Dist. No. 2          | 115,480                        | 0.066%                                    |
| 20 Oxnard Harbor Dist.                  | 10,193,506                     | 5.789%                                    |
| 21 Piru Public Cemetery Dist.           | 16,739                         | 0.010%                                    |
| 22 Pleasant Valley Co. Water Dist.      | 1,745,457                      | 0.991%                                    |
| 23 Pleasant Valley Rec & Parks Dist.    | 3,828,546                      | 2.174%                                    |
| 24 Rancho Simi Rec & Park Dist.         | 11,101,314                     | 6.305%                                    |
| 25 Russell Valley Municipal Water Dist. | CONSOLIDATED WITH CALLEGUAS    |   |
| 26 Saticoy Sanitary Dist.               | 108,844                        | 0.062%                                    |
| 27 United Water Conservation Dist.      | 10,256,127                     | 5.825%                                    |
| 28 Ventura Co. Resource Conserv. Dist.  | 228,426                        | 0.130%                                    |
| 29 Ventura Port District                | 5,288,893                      | 3.004%                                    |
| 30 Ventura River County Water Dist.     | 1,248,425                      | 0.709%                                    |
| TOTAL                                   | 176,079,991                    | 100.000%                                  |

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The independent special districts share shall be apportioned in a similar manner (to cities) according to each district's revenues for general purpose transactions as reported in the most recent edition of the "Financial Transactions Concerning Special Districts" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations.
- (2) No independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district. The share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equals the share apportioned by the auditor to independent special districts. Therefore, the .585% will be distributed to all districts except Calleguas Municipal Water District.